

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 25

AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 36-8-8-8.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 8.3. (a) This section applies to a fund member who, after June 30, 2009, completes service for which the 1977 fund gives credit.**

(b) A fund member may purchase not more than two (2) years of service credit for the fund member's service on active duty in the armed services if the fund member meets the following conditions:

- (1) The fund member has at least one (1) year of credited service in the fund.**
- (2) The fund member serves on active duty in the armed services of the United States for at least six (6) months.**
- (3) The fund member receives an honorable discharge from the armed services.**
- (4) Before the fund member retires, the fund member makes contributions to the fund as follows:**
 - (A) Contributions that are equal to the product of the following:**
 - (i) The salary of a first class patrolman or firefighter at the time the fund member actually makes a contribution for the service credit.**
 - (ii) A rate, determined by the actuary of the 1977 fund,**



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that is based on the age of the fund member at the time the fund member actually makes a contribution for service credit and that is computed to result in a contribution amount that approximates the actuarial present value of the retirement benefit attributable to the service credit purchased.

(iii) The number of years of service credit the fund member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary of the 1977 fund, for the period from the fund member's initial membership in the 1977 fund to the date payment is made by the fund member.

(c) A fund member must have at least twenty (20) years of service before a fund member may receive a benefit based on a service credit purchased under this section. A fund member's years of service may not exceed thirty-two (32) years with the inclusion of the service credit purchased under this section.

(d) A fund member may not receive service credit under this section:

- (1) for service credit received under IC 36-8-5-7; or
- (2) if the military service for which the fund member requests credit also qualifies the fund member for a benefit in a military or another governmental retirement system.

(e) A fund member who:

- (1) terminates service before satisfying the eligibility requirements necessary to receive a retirement benefit payment from the 1977 fund; or
- (2) receives a retirement benefit for the same service from another retirement system, other than under the federal Social Security Act;

may withdraw the fund member's contributions made under this section plus accumulated interest after submitting to the fund a properly completed application for a refund.

(f) The following apply to the purchase of service credit under this section:

- (1) The PERF board may allow a fund member to make periodic payments of the contributions required for the purchase of the service credit. The PERF board shall determine the length of the period during which the payments must be made.
- (2) The PERF board may deny an application for the purchase of service credit if the purchase would exceed the

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limitations under Section 415 of the Internal Revenue Code.

(3) A fund member may not claim the service credit for purposes of determining eligibility or computing benefits unless the fund member has made all payments required for the purchase of the service credit.

(g) To the extent permitted by the Internal Revenue Code and applicable regulations, the 1977 fund may accept, on behalf of a fund member who is purchasing service credit under this section, a rollover of a distribution from any of the following:

(1) A qualified plan described in Section 401(a) or Section 403(a) of the Internal Revenue Code.

(2) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.

(3) An eligible plan that is maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state under Section 457(b) of the Internal Revenue Code.

(4) An individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal Revenue Code.

(h) To the extent permitted by the Internal Revenue Code and the applicable regulations, the 1977 fund may accept, on behalf of a fund member who is purchasing service credit under this section, a trustee to trustee transfer from any of the following:

(1) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.

(2) An eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code.

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President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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